

# LEBOEUF, LAMB, GREENE & MACRAE LLP

**NEW YORK**

WASHINGTON, D.C.  
ALBANY  
BOSTON  
CHICAGO  
HARTFORD  
HOUSTON  
JACKSONVILLE  
LOS ANGELES  
PITTSBURGH  
SAN FRANCISCO

**260 FRANKLIN STREET**

BOSTON, MA 02110-3173

(617) 748-6800

FACSIMILE: (617) 439-0341

E-MAIL ADDRESS: SCOTT.MUELLER@LLGM.COM

WRITER'S DIRECT DIAL: (617) 748-6843

WRITER'S DIRECT FAX: (617) 897-9043

**LONDON**

A MULTINATIONAL  
PARTNERSHIP

PARIS

BRUSSELS

JOHANNESBURG

(PTY) LTD.

MOSCOW

RIYADH  
AFFILIATED OFFICE

BISHKEK

ALMATY

BEIJING

July 18, 2005

**BY HAND**

Mary L. Cottrell, Secretary  
Department of Telecommunications  
and Energy  
One South Station, 2nd Floor  
Boston, MA 02110

Re: Unitil, D.T.E. 05-32

Dear Secretary Cottrell:

Enclosed for filing in the above-captioned proceeding, please find Unitil's supplemental response to the Department's First Set of Information Requests, DTE-1-3 Supplemental. In response to a request from the Hearing Officer in this proceeding, the initial response, as filed on June 28, 2005, is being supplemented to include the Attachments referenced in sections A through C of the Chronology. In the process of supplementing the response, additional clarifications and corrections have also been made. All changes from the original response have been bolded for easy reference.

Unitil is filing under separate cover today a Motion for Protective Order regarding certain confidential, competitively sensitive and proprietary information included in Attachment DTE-1-3S2, pages 1-3 of Response DTE-1-3 Supplemental and a redacted copy on the supplemental response is therefore enclosed herein.

Mary L. Cottrell, Secretary

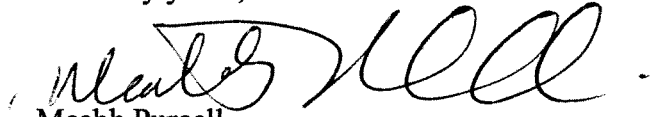
July 18, 2005

Page 2

---

Thank you for your assistance in this matter.

Sincerely yours,



Meabh Purcell

Enclosures

Cc: Timothy Cargill, Gas Division  
Cynthia Bradbury, Gas Division  
Andreas Thanos, Director of Gas Division  
Julie Howley Westwater, Hearing Officer  
Patricia Crowe, Esq., KeySpan Energy Delivery New England

**Request No. DTE-1-3 SUPPLEMENTAL**

**Page 1 of 2**

Please provide a chronology of Contract No. 2915 from its inception to the present. As part of your response, provide copies of the following: the 1993 Department Order approving the original Contract No. 2915; all subsequent amendments to the original contract; and all corresponding Department Orders approving such amendments.

**Response:**

Chronology

- A. The initial Contract was effective September 1, 1993 and remained in force and effect until November 1, 2000. **See Attachment DTE-1-3-S1.**
- B. As a result of Unitil's acceptance of Tennessee Gas Pipeline Company's ("TGP's") Early Renewal Incentive Option offer, the term of the Agreement was extended to April 1, 2004 through an amendment letter agreement dated July 9, 1999. **See Attachment DTE-1-3-S2.**
- C. Under letter dated **February 28, 2003**, the Contract was extended to March 31, 2006 at a reduced capacity from 2,638 MMBtu to 2,104MMBtu. **See Attachment DTE-1-3-S3.**
- D. As discussed on page 3, line 16 – page 4, line 7 of my prefiled testimony, Unitil subsequently notified TGP in writing on **under letter dated February 9, 2005 (See Exhibit FGE-RAM-4)** that the Company had elected to extend the term of the Contract for the maximum term of five years, to March 31, 2011. **See Exhibit FGE-RAM-2 (Amended Contract).**

Regulatory Approvals

On December 23, 2002, Unitil filed with the Department a Petition for Approval of an implementation Plan to restructure its capacity contracts and storage contract with TGP and enter into related contractual commitments (Docket No. D.T.E. 02-

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company d/b/a Unitil  
Docket No. D.T.E. 05-32

---

Responses to the Department's First Set of Information Requests

---

**Request No. DTE-1-3 SUPPLEMENTAL**

**Page 2 of 2**

85). This filing was made in compliance with the directive issued by the Department in D.T.E. 02-18, Investigation by the Department of Telecommunications and Energy into the Petition of Keyspan Energy Delivery New England for Approval of Firm Gas Transportation Agreements with Algonquin Gas Transmission Company, Order issued June 28, 2002. In that order, the Department asserted jurisdiction for capacity contracts under G.L. c. 164 § 94A and also directed jurisdictional LDCs to submit contracts for approval upon execution of the contract. Id. at 9 and 11.

The extension of TGP contract No. 2915 discussed in Section C of the Chronology above was part of the TGP capacity contract restructuring that was the subject of the petition in D. T. E. 02-85. The extension is discussed on pages 9-10 of the prefiled testimony of David Dorskocil in that Docket. The Department approved Unitil's capacity contract restructuring plan in D.T.E. 02-85 on April 24, 2003 and the approval is attached as Attachment DTE-1-3.

The initial Contract discussed in Section A of the Chronology and the July 9, 1999 extension of the Contract discussed in Section B of the Chronology were not submitted for Department approval. These contractual arrangements were entered into prior to the Department enunciating its jurisdiction over capacity contracts in 2002. Id.

**Person Responsible:** Richard A. MacInnis

ORIGINAL

SERVICE PACKAGE NO. 2915  
AMENDMENT NO. 0GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)Docket No. DTE 05-32  
Attachment DTE 1-3-S1  
Page 1 of 8

THIS AGREEMENT is made and entered into as of the 1st day of September, 1993, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and FITCHBURG GAS AND ELECTRIC LIGHT CO, a MASSACHUSETTS Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties."

## ARTICLE I

## DEFINITIONS

- 1.1 TRANSPORTATION QUANTITY (TQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be 2,638 dekatherms. Any limitations of the quantities to be received from each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" attached hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Article I of the General Terms and Conditions of Transporter's FERC Gas Tariff.

## ARTICLE II

## TRANSPORTATION

Transportation Service - Transporter agrees to accept and receive daily on a firm basis, at the Point(s) of Receipt from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity, and to deliver to or for the account of Shipper to the Point(s) of Delivery an Equivalent Quantity of gas.

## ARTICLE III

## POINT(S) OF RECEIPT AND DELIVERY

The Primary Point(s) of Receipt and Delivery shall be those points specified on Exhibit "A" attached hereto.

## ARTICLE IV

All facilities are in place to render the service provided for in this Agreement.

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

Docket No. DTE 05-32  
Attachment DTE 1-3-S1  
Page 2 of 8

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-A and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-A, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII

BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff.

**GAS TRANSPORTATION AGREEMENT**  
(For Use Under FT-A Rate Schedule)

Docket No. DTE 05-32  
Attachment DTE 1-3-S1  
Page 3 of 8

**ARTICLE VIII**

**GENERAL TERMS AND CONDITIONS**

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-A and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

**ARTICLE IX**

**REGULATION**

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284, of the FERC Regulations.

**ARTICLE X**

**RESPONSIBILITY DURING TRANSPORTATION**

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1.

**ARTICLE XI**

**WARRANTIES**

- 11.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

Docket No. DTE 05-32  
Attachment DTE 1-3-S1  
Page 4 of 8

event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.

- (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.
- 11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII

TERM

- 12.1 This Agreement shall be effective as of the 1st day of September, 1993, and shall remain in force and effect until the 1st day of November, 2000, ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Transporter to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the Primary Term for a term of five years and shall automatically extend for successive five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.
- 12.2 Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.
- 12.3 This Agreement will terminate automatically upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FERC Tariff.

**GAS TRANSPORTATION AGREEMENT**  
(For Use Under FT-A Rate Schedule)

Docket No. DTE 05-32  
Attachment DTE 1-3-S1  
Page 5 of 8

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Marketing

SHIPPER:

NOTICES: FITCHBURG GAS AND ELECTRIC LIGHT CO  
216 EPPING ROAD

EXETER, NH 03833  
Attention: DAVID K. FOOTE

BILLING: FITCHBURG GAS AND ELECTRIC LIGHT CO  
216 EPPING ROAD

EXETER, NH 03833  
Attention: ACCOUNTS PAYABLE

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV

ASSIGNMENTS

- 14.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Otherwise, Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Article III, Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

**GAS TRANSPORTATION AGREEMENT**  
(For Use Under FT-A Rate Schedule)

Docket No. DTE 05-32  
Attachment DTE 1-3-S1  
Page 6 of 8

ARTICLE XV

MISCELLANEOUS

- 15.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.
- 15.2 If any provisions of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification of or supplement to the terms and provisions stated in this agreement shall be or become effective until Shipper has submitted a request for change through the TENN-SPEED 2 System and Shipper has been notified through TENN-SPEED 2 of Transporter's agreement to such change.
- 15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

BY: Randall G. Schorre  
Randall G. Schorre  
Agent and Attorney-in-Fact

12/17/94



FITCHBURG GAS & ELECTRIC LIGHT CO.

BY: [Signature]

TITLE: Senior Vice President

DATE: June 22, 1994

**GAS TRANSPORTATION AGREEMENT**  
(For Use Under FT-A Rate Schedule)

**EXHIBIT "A"**  
**AMENDMENT #0 TO GAS TRANSPORTATION AGREEMENT**  
DATED September 1, 1993  
BETWEEN

TENNESSEE GAS PIPELINE COMPANY  
AND  
FITCHBURG GAS AND ELECTRIC LIGHT CO

FITCHBURG GAS AND ELECTRIC LIGHT CO  
EFFECTIVE DATE OF AMENDMENT: September 1, 1993  
RATE SCHEDULE: FT-A  
SERVICE PACKAGE: 2915  
SERVICE PACKAGE Tq: 2,638 Dth

METER	METER NAME	INTERCONNECT PARTY NAME	COUNTY	ST	ZONE	R/D	LEG	METER-TQ	MINIMUM PRESSURE
001366	TRANSCONTINENTAL - UTOS EXCHAN	UNION PACIFIC FUELS INC	CAMERON	LA	01	R	800	104	
010008	UNION - WARDNER COASTAL PLT DEH	TEXAS EASTERN TRANSMISSION CORP	NUECES	TX	00	R	100	219	
010031	UNION - E TEXAS PLT DEHYD	MOBIL NATURAL GAS INC	PANOLA	TX	00	R	100	704	
010706	MOBIL-E CAMERON BLK 64 DEHYD	CONOCO INC	OFFSHORE-FEDERA	OL	01	R	800	132	
010970	CONOCO-SHIP SHOAL BLK 198 G	LOUISIANA LAND AND EXPLORATION	OFFSHORE-FEDERA	OL	01	R	500	245	
011119	CHEVRON-S MARSH IS BLK 61 C	TEXICAN NATURAL GAS COMPANY	OFFSHORE-FEDERA	OL	01	R	800	79	
011860	BUCHANAN - E CAMERON BLK 24(33	WALTERS - SHIP SHOAL BLK 160	OFFSHORE-FEDERA	OL	01	R	500	53	
012027	WALTERS - SHIP SHOAL BLK 160	MAXUS EXPLORATION CO	OFFSHORE-FEDERA	OL	01	R	500	611	
012032	MAXUS - GRAND ISLE BLK 25 ( S.	UNION PACIFIC FUELS INC	OFFSHORE-FEDERA	OL	01	R	500	204	
012272	UNION - SHIP SHOAL BLK 180	WALTER OIL & GAS CORP	OFFSHORE-FEDERA	OL	01	R	800	101	
018053	WALTER - VERMILLION BLK 96		CAMERON	LA	01	R	800	27	
050136	TENNECO-UTOS-JOHNSON BAYOU CHE							159	
Total Receipt Tq:								2,638	

020112	FITCHBURG - MASS	FITCHBURG GAS AND ELECTRIC LIG WORCESTER	MA	06	D	200		2,638	100 LBS
Total Delivery Tq:								2,638	

THE SUM OF TRANSPORTER'S DELIVERIES TO SHIPPER FOR ALL TRANSPORTATION CONTRACTS CONVERTED FROM FIRM SALES CANNOT EXCEED THE FOLLOWING METERS:

METER	METER NAME	INTERCONNECT PARTY NAME	COUNTY	ST	ZONE	R/D	LEG	METER-TQ	MINIMUM PRESSURE
020112	FITCHBURG - MASS	FITCHBURG GAS AND ELECTRIC LIG WORCESTER		MA	06	D	200	10,246	
025078	PENN-MFG-ANDREWS SETTLEMENT SA	PENN YORK ENERGY CORPORATION	POTTER	PA	04	D	300	1,500	
060018	TPG - NOTHERN STORAGE INJECT		POTTER	PA	04	D	300	2,480	

NUMBER OF RECEIPT POINTS: 12  
NUMBER OF DELIVERY POINTS: 1

Note: Exhibit "A" is a reflection of the contract and all amendments as of the amendment effective date.

03/28/2005 10:32 FAX

07/09/99 17:32 FAX

002

002

Docket No. DTE 05-32  
Attachment DTE 1-3-S2  
Page 1 of 3



July 9, 1999

Fitchburg Gas <sup>and</sup> Electric Light Company  
6 Liberty Lane West  
Hampton, NH 03842-1720

Attention: Mr. David K. Foote via facsimile: (603) 773-6630

RE: CONTRACT RESTRUCTURING LETTER AGREEMENT

REDACTED

03/28/2005 10:33 FAX

07/09/99 17:32 FAX

UNITED SERVICE CORP.

003

003

*Contract Restructuring Letter Agreement*  
July 9, 1999  
Page 2

Docket No. DTE 05-32  
Attachment DTE 1-3-S2  
Page 2 of 3

REDACTED

03/28/2005 10:33 FAX  
07 30-99 18:24 FAX 803 773 6647  
07/09/99 17:33 FAX

UNITIL SERVICE CORP.

0004  
0003

0004

*Contract Restructuring Letter Agreement  
July 9, 1999  
Page 3*

*Docket No. DTE 05-32  
Attachment DTE 1-3-S2  
Page 3 of 3*

**REDACTED**

February 28, 2003

Fitchburg Gas and Electric Light Co.  
6 Liberty Lane West  
Hampton, NH 03842

Attention: David K. Foote

Re: Extension of Long Term Service Agreement  
Pursuant to Article III, Section 10.5  
Of Tennessee Gas Pipeline Company's General Terms and Conditions of its  
FERC Gas Tariff Gas Transportation Agreement Contract Number(s) 2915

Dear Mr. Foote:

Reference is made to the above referenced Gas Transportation Agreement(s) between Fitchburg Gas and Electric Light Co. and Tennessee Gas Pipeline Company ("Tennessee") relating to the firm transportation by Tennessee of certain quantities of gas ("Service Package"),

Article XII of the above-mentioned Service Package(s) provides, in part, as follows:

This contract shall be effective as of **9/1/1993**, and shall remain in force and effect until **11/1/2000** ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Tennessee to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the Primary Term for a term of five years; and shall automatically extend for successive five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

Further, on **7/27/1999**, the above-mentioned Service Package was extended through **3/31/2004** pursuant to Article III, Section 10.5.

Our records indicate that the Service Package(s) will automatically extend for a term of five years effective **4/1/2004**, unless Fitchburg Gas and Electric Light Co. notifies Tennessee *in writing* to the contrary by close of business on **3/31/2003**.

Therefore, in accordance with Article III, Section 10.5 of Tennessee's General Terms and Conditions, please indicate your decision below and return a copy of this election form to Dodson Skipworth in the enclosed envelope or by facsimile @ (832) 676-1864.

Docket No. DTE 05-32  
Attachment DTE 1-3-S3  
Page 2 of 2

**TGP Contract Number 2915**

1. \_\_\_\_\_ Election to Extend at Tennessee's Maximum Rates for the Service Package Extension Term and Transportation Quantity

2. \_\_\_\_\_ Election to Extend at Tennessee's Maximum Rates:  
\_\_\_\_\_☒ For a Lesser Extension Term than Provided in the Service Package.  
Extended Term: 3/31/2006 Not to Exceed 5 years  
\_\_\_\_\_☐ For a Reduced Service Package Transportation Quantity.<sup>1</sup>  
Transportation Quantity: 2104 DTH per day

3. \_\_\_\_\_ Election to Waive Secondary 10.5 Rights and Extend at Less than Tennessee's Maximum Rates\*

Proposed Rate: \_\_\_\_\_  
(mandatory open season with no ROFR or future rollover)

(If you wish to waive your 10.5 rollover rights, please call your Account Manager or Account Representative)

\* Tennessee has the right to establish a minimum rate for the ROFR open season that could be up to the maximum applicable rate.

4. \_\_\_\_\_ Election to Terminate

**FITCHBURG GAS AND ELECTRIC LIGHT CO.**

BY: [Signature]  
NAME: Daniel E. Foster  
TITLE: Senior V.P. President  
DATE: 2/22/03

If you should have any questions or need further assistance, please contact me at (832) 676-6404.

Very truly yours,

[Signature]

MiYung Buster  
Senior Account Representative  
Transportation Services

<sup>1</sup> If shipper contemplates electing a Reduced Transportation Service Package Quantity, on other than a normal pro rata basis across the contract, please contact Dodson Skipworth as soon as possible to discuss implementation of such a reduction. Otherwise, Tennessee will implement a binding reduction on a pro rata basis. Any non-pro rata reduction must have the same zone makeup of the Service Package.



indicated that it had a storage contract with Tennessee. The Department approved FG&E's Supply Plan on January 12, 2001.

3. In September 2002, FG&E filed for approval of a replacement contract with Tennessee, which was docketed as D.T.E. 02-55. The Company determined that it could reduce its portfolio cost by entering into a Zone 6-to-6 contract and subsequently terminating short-haul Contract No. 252, thereby reducing firm city gate delivery costs while providing access to an expanded menu of newer gas supply options. Accordingly, FG&E terminated Contract No. 252 effective January 15, 2003 and entered into a replacement contract with Tennessee for Firm FT-A short-haul transportation service from Dracut, Massachusetts to the Fitchburg city gate. The Maximum Daily Quantity ("MDQ") is 550 Dth/day and the contract is effective from December 1, 2002 to January 31, 2004 with a renewal notification date of January 2003. Approval of this replacement contract is currently pending before the Department.

4. In 2003, FG&E must make a number of decisions in regards to renewing its capacity contracts. Five of FG&E's Tennessee capacity contracts terminate on January 31, 2004 and the remaining three contracts terminate on March 31, 2004. FG&E's storage contract with Tennessee also terminates on March 31, 2004. FG&E is required to provide renewal notification one year prior to the termination dates for the Tennessee contracts.

5. FG&E is planning to take advantage of the renewal options available to the Company under existing capacity contracts while transferring small increments of long-haul capacity to short-haul capacity where appropriate to improve the economics, diversity and flexibility of the portfolio. FG&E is also planning to renew the Tennessee storage contract.

6. FG&E is making this filing at this time in order to balance the Department's requirements for approval of the capacity contracts and the Tennessee procedures for requesting capacity renewals, which do not provide for the Department's review. The Department has directed Massachusetts LDCs to seek approval for supply, capacity and storage contracts under G. L. c. 164, § 94A. This statute requires gas companies to either seek prior approval to enter into a contract or to include in the contract a provision subjecting the price to be paid therein to review and determination by the Department. The Tennessee procedures for capacity contract renewals do not provide an interim period to accommodate the Department's review, nor do they allow inclusion of contract provisions subjecting the price to be paid under the contract to subsequent review by the Department. Accordingly, to accommodate both the Department's directives and Tennessee's procedures, FG&E is seeking approval to implement a restructuring plan for certain contract renewals and to enter into those related contractual commitments.

7. In support of the requested approval, FG&E submits the testimony of David B. Daskocil to demonstrate that the plan to restructure the capacity contracts (1) is consistent with the portfolio objectives established in the Company's Supply Plan as approved in D.T.E. 00-42 and (2) compares favorably to the range of alternatives reasonably available to the Company and its customers.

8. Mr. Daskocil's testimony describes the capacity contract renewal process and timeline, describes the Company's capacity contract restructuring plan, evaluates the plan in terms of cost and non-cost factors, and explains how the restructuring plan is consistent with the resource requirements set forth in the Company's most recently-approved Supply Plan.

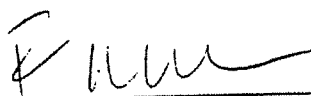
WHEREFORE, for all the reasons set forth in this Petition and in the accompanying Testimony of David Daskocil, Fitchburg Gas and Electric Light Company respectfully requests that the Department of Telecommunications and Energy: 1) find that the contract restructuring plan is consistent with the portfolio objectives established in the Company's Supply Plan and compares favorably to the range of alternatives available to the Company; 2) approve of FG&E entering into contracts to purchase capacity consistent with its restructuring plan; and 3) issue any other orders and approvals as may be appropriate and necessary and are consistent with the Company's request.

Respectfully submitted,

**FITCHBURG GAS AND ELECTRIC LIGHT  
COMPANY**


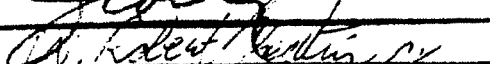
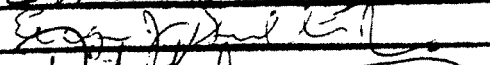
By its attorneys,

Docket No. DTE 05-32  
Attachment DTE 1-3  
Page 4 of 4

  
\_\_\_\_\_  
Scott J. Mueller  
Patricia M. French  
LeBoeuf, Lamb, Greene and MacRae, LLP  
260 Franklin Street  
Boston, MA 02110-3173  
Phone: (617) 439-9500  
Fax: (617) 439-0341

DATED: December 23, 2002

(b85752)

APPROVED	
DATE	April 24, 2003
	
	
	
COMMISSIONERS, D.T.E.	

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company d/b/a Unitil

---

Docket No. D.T.E. 05-32  
Responses to the Department's First Set of Information Requests

---

**Request No. DTE-1-4**

Please refer to Exh. FGE-RAM-2, at 3, par. 12.1 and Exh. FGE-RAM-4, at 1. Explain the discrepancy in these two documents with regard to the "Primary Term" of contract No. 2915. Please provide a signed, dated copy of Exh. FGE-RAM-2.

**Response:**

Please refer to the Chronology discussed in Unitil's response to DTE-1-3. There is no discrepancy in the term of the Contract. Exh. FGE-RAM-4, at 1 references the initial term of the Contract, as discussed in Section A. of the Chronology. Exh. FGE-RAM-2, at 3, par. 12.1 presents the term of the Contract under the most recent contract extension, which extends the contract term for the maximum term of five years, to March 2011. This is discussed in Section D of the Chronology.

There is no signed, dated copy of the Contract in Exh. FGE-RAM-2. Based upon TGP contract renewal procedures, once the written election to renew the Contract, as included in Exh. FGE-RAM-4, is received by TGP the renewed Contract, as included in Exh. FGE-RAM-2, is provided to the Company electronically. The written election, in effect, can be viewed as the fully executed agreement.

**Person Responsible:** Richard A. MacInnis